

SOUTH AUSTRALIA



STATE TAXATION OFFICE

Stamp Duties

Circular No. 148
(Replaces Circular number 145)

FIRST HOME CONCESSION - EXTENSION OF SCHEME

Legislation has now been passed as the *Stamp Duties (Miscellaneous) Amendment Act 1997*, assented to on 27 March 1997, which amends section 71C of the *Stamp Duties Act 1923*, and provides for the extension to the First Home Concession scheme approved by the Government earlier this year. This legislation also counters a tax avoidance issue (refer to Circular 149).

Details of the extended scheme are described below.

DATE OF OPERATION AND APPLICABLE CONCESSION

The extension to the First Home Concession scheme applies to conveyances arising from contracts *entered into* between 1 February 1997 and 31 January 1998 inclusive. (For contracts entered into on or after 1 February 1998, the applicable concession will be as described in Circular number 139.)

A concession equal to the full amount of the duty otherwise payable is available where the value of the property conveyed does not exceed \$100,000.

The amount of the concession is reduced on a proportional basis where the value of the property exceeds \$100,000, and no concession is available where the value of the property exceeds \$150,000.

Purchasers must meet the eligibility requirements of Section 71C of the *Stamp Duties Act 1923*.

BASIS FOR CALCULATING THE CONCESSION

The duty payable, after deduction of the concession, can be calculated using the following formula:

$$A = B - [\$2,830 - (\frac{56 (E - \$100,000)}{\$1,000})]$$

where:

- A is the amount of duty payable after deducting the concession amount;
- B is the amount of duty normally payable (ie prior to deducting the concession amount); and
- E is the value of the property conveyed, *rounded up to the nearest \$1,000*.

Schedule 1 illustrates the amount of duty normally payable ("B"), the amount of concession, and the net amount of duty now payable ("A") for conveyance values between \$100,000 and \$150,000 inclusive.

OTHER CONDITIONS

Conditions relating to the eligibility of applicants, the application process, offence provisions and compliance monitoring have not altered as a result of the extension to the First Home Concession scheme. Full details are available in State Taxation Office Circular number 139.

ENQUIRIES

Enquiries should be directed to the State Taxation Office by telephone on (08) 8226 3750, or by fax on (08) 8226 3737.

27 March, 1997

COMMISSIONER OF STATE TAXATION

SCHEDULE 1

Illustration of concession amounts and duty payable for conveyances arising from contracts entered into between 1 February 1997 and 31 January 1998 inclusive.

Value of the property conveyed	Duty normally payable	Concession	Duty now payable	Value of the property conveyed	Duty normally payable	Concession	Duty now payable
\$	\$	\$	\$	\$	\$	\$	\$
100,000	2,830	2,830	0	126,000	3,870	1,374	2,496
101,000	2,870	2,774	96	127,000	3,910	1,318	2,592
102,000	2,910	2,718	192	128,000	3,950	1,262	2,688
103,000	2,950	2,662	288	129,000	3,990	1,206	2,784
104,000	2,990	2,606	384	130,000	4,030	1,150	2,880
105,000	3,030	2,550	480	131,000	4,070	1,094	2,976
106,000	3,070	2,494	576	132,000	4,110	1,038	3,072
107,000	3,110	2,438	672	133,000	4,150	982	3,168
108,000	3,150	2,382	768	134,000	4,190	926	3,264
109,000	3,190	2,326	864	135,000	4,230	870	3,360
110,000	3,230	2,270	960	136,000	4,270	814	3,456
111,000	3,270	2,214	1,056	137,000	4,310	758	3,552
112,000	3,310	2,158	1,152	138,000	4,350	702	3,648
113,000	3,350	2,102	1,248	139,000	4,390	646	3,744
114,000	3,390	2,046	1,344	140,000	4,430	590	3,840
115,000	3,430	1,990	1,440	141,000	4,470	534	3,936
116,000	3,470	1,934	1,536	142,000	4,510	478	4,032
117,000	3,510	1,878	1,632	143,000	4,550	422	4,128
118,000	3,550	1,822	1,728	144,000	4,590	366	4,224
119,000	3,590	1,766	1,824	145,000	4,630	310	4,320
120,000	3,630	1,710	1,920	146,000	4,670	254	4,416
121,000	3,670	1,654	2,016	147,000	4,710	198	4,512
122,000	3,710	1,598	2,112	148,000	4,750	142	4,608
123,000	3,750	1,542	2,208	149,000	4,790	86	4,704
124,000	3,790	1,486	2,304	150,000	4,830	30	4,800
125,000	3,830	1,430	2,400				

Example:

Purchase price of \$103,250; normal duty on \$103,250 is \$2,962.

$$\begin{aligned}
 \text{Duty now payable} &= \$2,962 - [\$2,830 - (\frac{56 (\$104,000 - \$100,000)}{\$1,000})] \\
 &= \$2,962 - [\$2,830 - (56 \times \$4)] \\
 &= \$2,962 - \$2,606 \\
 &= \$356
 \end{aligned}$$